

Management Audit Report

for the Assessing Department

City of Nashua

March 1, 2019

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TABLE OF CONTENTS

Executive Summary

Chapter 1: Objectives, Scope, Methodology of the Audit

**Chapter 2: Profiles of the Organization, Analysis of the
Organization Structure and Function**

Chapter 3: Observations and Opinions

Chapter 4: Conclusions and Major Recommendations

Appendix

Executive Summary

This is a final report on a Management Audit of the Assessing Department within the City of Nashua. This study was commissioned by Mayor Jim Donchess and was conducted from November 2018 through February 2019 by Chief Financial Officer John Griffin and Chief of Staff Kim Kleiner.

Specifically, Mayor Donchess directed the:

- Review of written and unwritten policies and procedures which are in effect in the Assessing Department and recommend any new or different policies and/or procedures which should be adopted and/or put into operation.
- Review and evaluation of the policies, practices and procedures related to the management of the Assessing Department and recommend improvements and changes.
- Review of the organizational structure and the staffing of the Assessing Department and make any reorganization or restructuring recommendations which would benefit the operations of the Assessing Department in particular and the City of Nashua as a whole.

Note: This audit was not intended to review the practices or procedures used by KRT Appraisal, an independent contractor, who was responsible for performing the city's most recent Revaluation project. KRT Appraisal followed specific New Hampshire Department of Revenue Administration, Municipal and Property Division rules and procedures to conduct the Revaluation. Due to concerns regarding the efficiency and capacity of the internal assessing department in early spring of 2018, the decision was made to recommend the hiring of an experienced appraisal consultant to the Board of Aldermen.

The major findings of the management audit are:

- 1) Ineffective management of the Assessing Department
- 2) Lack of internal policies to guide operations
- 3) Disparate software systems utilized by the department are not optimized
- 4) A full measure and list of all properties within the City has not been conducted since the early 1990s

Objectives, Scope, Methodology of the Audit

The scope of the Management Audit included the review of written and unwritten policies and procedures; review and evaluation of the policies, practices and procedures related to the management of the Assessing Department; and review of the organizational structure and the staffing of the Assessing Department. The Management Audit was not intended to review individual property cards and assessments. The statutory abatement rules and regulations guide that process.

In conducting the audit, one on one meetings were held with all of the members of the Assessing Department staff. The assessing calendar, internal procedures, various reports, and internal and external software applications were also reviewed. The audit did include the observation of updating AssessPRO records, review of various data contained within the system and some practices used by assessing staff.

Meetings and consultations were also held with the principals of KRT Appraisal, Patriot Properties and CDMSmith. KRT Appraisal most recently conducted the Revaluation. Patriot Properties is the company that developed, installed and maintains AssessPRO, the Computer Assisted Mass Appraisal (CAMA) system that contains all of the property records for the City. CDMSmith has assisted the City of Nashua in the development of its GIS operations for over two decades.

Profiles of the Organization, Analysis of the Organizational Structure and Function

Analysis Approach:

The organizational analysis focuses on the functional effectiveness of the assessing department's office and management structure.

Several documents were reviewed for this analysis, including:

- Department-level organizational chart (Appendix 1)
- Organizational assessments completed by State DRA
- Policies and administrative regulations
- Department operational procedures
- Job descriptions of all positions
- Board of Assessor meeting minutes, agendas, and Board packets
- Budget information
- Interviews with all departmental staff (Appendix 2)
- Consultation with Information Technology Staff
- Consultation with Patriot Systems, KRT Appraisals and CDMSmith

Departmental Functions as defined in city job descriptions:

Chief Assessor

Directs and participates in all activities related to the assessment of all property in the City. The incumbent directs four appraisers and four technical clerical staff to provide assessment/appraisal services, exemption and credit qualification, constituent services and public relations in the highest quality manner for the City. This individual is also responsible for establishing and administering customer-responsive, cost effective and high quality assessment standards and procedures that meet all applicable legal requirements.

- Accomplishes assessing staff results by communicating job expectations; planning, monitoring, and appraising job results; coaching, counseling, and disciplining employees; initiating, coordinating, and enforcing systems, policies, and procedures.

- Maintains staff by recruiting, selecting, orienting, and training employees; maintaining a safe and secure work environment; developing personal growth opportunities.
- Maintains organization's effectiveness and efficiency by defining, delivering, and supporting strategic plans for implementing best practices in assessing.
- Directs staff in the measuring, listing and valuation of property to maintain \$8.5 B assessment roll.
- Promotes transparency in assessment practices and directs outreach and public information program to educate the public and elected officials.
- Educates staff in the procedures and policies necessary to conform with state law as it pertains to the assessment of property and application of exemptions and credits.
- Directs appeals and litigation for the local and state level abatement process.
- Recommends assessing strategies, policies, and procedures by evaluating organization outcomes; identifying problems; evaluating trends; anticipating requirements.
- Accomplishes financial objectives by forecasting requirements; preparing an annual budget; scheduling expenditures; analyzing variances; initiating corrective action.
- Maintains quality service by establishing and enforcing organization standards.
- Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; benchmarking state-of-the-art practices; participating in professional societies.
- Contributes to team effort by accomplishing related results as needed.

Assessor III

- Field Work: Organizes information based on building permit activity and assignments from Chief Assessor and Deputy Manager/Appraiser IV. Assists Chief Assessor/GIS Manager and Deputy Manager/Appraiser IV in supervising data verification of all City properties.
- Assists in training of Appraisers and Data Collector.
- Drives to subject sites; draws detailed sketches and calculates square footage of property improvements; performs interior inspections; records list of pertinent structural characteristics; evaluates quality and condition of subject properties; determines models, styles, story heights, records visit history, performs site inspections and evaluation of new lots and subdivisions. Properties inspected include new construction, building permits, and current transfers.
- Valuation of Real Property: Calculates property values utilizing appraisal software; analyzes market influence to surrounding neighborhoods of environmentally sensitive or impacted sites. Estimates value utilizing income approach and mass appraisal techniques. Correlates value estimates into logical conclusion and presents in orderly fashion utilizing ADMINS appraisal software and other computer applications.
- Conducts research to include but is not limited to: Registry of Deeds, banks, brokers, buyers, sellers, MLS, appraisers, etc. to establish ownership histories and determine validity of "arm's length" transactions.

- Interviews taxpayers to determine condition of property at time of sale. Analyzes income statements to determine trends in market and validity of reported income. Defines problem areas if inequitable taxation; suggests corrective measures; implements corrective measures.
- Abatements and Appraisals: Processes requests for abatement of taxes; researches and evaluates concerns submitted by taxpayers; makes recommendations to the Chief Assessor Manager and the Board of Assessors whether or not to abate taxes based on complaints of inaccurate measure and/or listing. Reviews comparable sales, equitable valuation of similar properties, appraisals, cost factors, and other pertinent valuation data. Appraises property as necessary for defense of assessment (appraisals require thorough understanding of sales, cost and income approach to value). Prepares and presents cases for Board of Tax and Land Appeals. Interfaces with Chief Assessor/Administrative Specialist III/CSR, Legal/Planning/ Building/IT Division, Taxpayers, Attorneys, Appraisers, Tax Representatives, Public:
- Answers questions; composes written correspondence; provides information regarding real property; interprets property record cards; arranges appointments; collects and organizes submitted data; answers telephone inquiries; reports to and updates Deputy Manager/Appraiser IV on status of all projects.
- Prepares preliminary value estimates for internal planning purposes of the administration.

Appraiser II

- Performs assessment and appraisal of real property in accordance with pertinent legislation, code, and ordinances.
- Field Work: Organizes information based on building permit activity and assignments from Chief Assessor/GIS Manager and the Deputy Manager/Appraiser IV. Assists Chief Assessor/GIS Manager and the Deputy Manager/Appraiser IV in supervising data verification of all City properties.
- Assists in training of Appraiser I and Data Collectors.
- Drives to subject sites; draws detailed sketch and calculates square footage of property improvements; performs interior inspections; records list of pertinent structural characteristics; evaluates quality and condition of subject properties; determines models, styles, story heights, records visit history, performs site inspections and evaluation of new lots and subdivisions. Properties inspected include new construction, building permits, and current transfers.
- Valuation of Property: Calculates property values utilizing computer software. Reviews base rates and other cost factors used to maintain equitable assessments of properties; analyzes market influence to surrounding neighborhoods of environmentally sensitive or impacted sites. Research: Research includes but is not limited to: Registry of Deeds, banks, brokers, buyers, sellers, MLS, appraisers, etc. to establish ownership histories and determine validity of "arm's length" transactions; interviews taxpayers at site to determine condition of property at time of sale; defines problem areas of inequitable taxation; determines/suggests corrective measures; audits equitable assessments through statistical testing and mathematical computations using ADMINS, spreadsheet applications and other calculating devices.
- Abatements and Appraisals: Processes requests for abatement of taxes; research and evaluates concerns submitted by taxpayers; makes recommendations to the Chief Assessor/GIS Manager and the Board of Assessors whether or not to abate taxes based on complaints of inaccurate measure and/or listing. Reviews comparable sales, equitable valuation of similar properties, appraisals, cost factors

and other pertinent valuation data. Appraises property as necessary for defense of assessment (appraisals require thorough understanding of sales, cost and income approach to value). Prepares and present cases for Board of Tax and Land Appeals. Interfaces with Deputy Manager/Appraiser IV and Chief Assessor/GIS Manager, Assessing Administrative Specialist III/CSR, Legal/Planning/ Building/IT Division, Taxpayers, Attorneys, Appraisers, Tax Representatives, Public:

- Answers questions; composes written correspondence; provides information regarding real property; interprets property record cards; arrange appointments; collect and organizes submitted data; answer telephone inquiries; report to and update Chief Assessor/GIS Manager on status of all projects.
- Assists in preparation of proper forms for filing of taxpayer exemptions.
- Assessment Processing: Analyzes subdivisions and combinations for resulting assessment Change, processes religious and charitable exemptions, processes current use applications and change of use penalties.

Appraiser I

- Responsible for assessment and appraisal of real property in accordance with pertinent legislation, codes, and ordinances.
- Field Work - Measure and List : Drives to subject sites; draws detailed sketch and calculates square footage of property improvements; performs interior inspections; records list of pertinent structural characteristics; evaluates quality and condition of subject properties; determines models, styles, story heights, records visit history, performs site inspections and evaluation of new lots and subdivisions. Properties inspected include new construction, building permits, and current transfers.
- Valuation of Real Property: Calculates property values utilizing VMS-ADMINS and City computer software. Performs data entry of property factors. Updates of assessments due to property changes.
- Research and Ratio Studies: Research includes but is not limited to: Registry of Deeds, banks, brokers, buyers, sellers, MLS, appraisers, etc. to establish ownership histories and determine validity of "arm's length" transactions; interviews taxpayers at site to determine condition of property at time of sale; defines problem areas of inequitable taxation.
- Abatements and Appraisals: Processes requests for abatement of taxes; research and evaluates concerns submitted by taxpayers; makes recommendations to the Chief Assessor/GIS Manager and the Board of Assessors whether or not to abate taxes based on complaints of inaccurate measure and/or listing. Reviews comparable sales, equitable valuation of similar properties, appraisals, cost factors and other pertinent valuation data. Appraises property as necessary for defense of assessment (appraisals require thorough understanding of sales, cost and income approach to value).
- Interfaces with Deputy Manager/Appraiser IV and Chief Assessor/GIS Manager, Assessing Administrative Specialist III/CSR, Legal/Planning/ Building/IT Division, Taxpayers, Attorneys, Appraisers, Tax Representatives, and the Public.
- Answers questions; composes written correspondence; provides information regarding real property; interprets property record cards; arranges appointments; collects and organizes submitted data; answers telephone inquiries; reports to and updates Chief Assessor on status of all projects.

- Assists in preparation of proper forms for filing of taxpayer exemptions.

Assessing Admin Specialist III/CSR

- Responsible for providing the leadership, knowledge, supervisory abilities, and skills necessary to oversee the data management and administrative functions of the Assessing Department and to oversee and maintain a highly professional customer support function both over the counter and over the telephone.
- Assessing Department Data Management and Administration:
 - Supervises, prioritizes and delegates assessing administrative workload
 - Acts on and resolves administrative staff concerns/problems
 - Evaluates performance of Data Management/Administrative Team and writes appraisal reviews
 - Administers the requests and production of special reports regarding assessing system data
 - Produces generic City database and sales reports
 - Writes administrative procedures and maintains departmental procedures manual
 - Acts as liaison with IT Division regarding enhancements to the assessing computerized system
 - Supervises continued auditing of the exemption program
 - Supervises the processing and tracking of abatements
 - Supervises the administration of the yearly assessing update program
 - Assists in resolving budget preparation concerns
 - Reviews/approves weekly department payroll
 - Approves requests for purchase and maintenance of equipment
 - Supervises preparation of sales assessment sheets for Department of Revenue Administration
 - Participates in meetings with other departments to resolve inter-department issues
 - Resolves issues regarding the day to day administrative operations of the Assessing Department
 - Coordinates the training and cross-training of the Administrative staff
- Customer Service/Support
 - Maintains a consistently high level of customer support at the service counter and on the telephone through coordination of office coverage.
 - Provides personal and/or telephone assistance to taxpayers in resolving changes and/or concerns associated with the City of Nashua Assessing Department programs
 - Provides information to taxpayers regarding State Statutes

Communicates with outside organizations regarding the City of Nashua's assessing program

Assists taxpayers in initiating applications/changes associated with exemptions/credit programs

Assessing Admin Specialist II/CSR

- Responsible for initiating new account setup, processing account maintenance, processing all plans, quality control of deed transfers, providing information to GIS Technician, processing, maintaining and auditing exemption files, data entry of prescribed information utilized in assessment applications, research of abnormalities found in Assessing Department records, providing assistance to taxpayers in person or on the telephone and providing backup to other Administrative Specialists and Department Coordinator position.
- Assessing Administration:
 - Processes account maintenance generated by the Appraisers and GIS Technician
 - Reviews plans for accuracy
 - Initiates new account setup
 - Performs quality control on deed transfers and address changes
 - Expedites routine Department tasks through the knowledge of office information, data processing, storing, retrieving practices and procedures, and the use of standard office equipment and equipment maintenance/troubleshooting
 - Initiates correspondence to taxpayers regarding new ownership and/or changes in solar and handicapped exemption status
 - Participates in resolving issues regarding the day-to-day operations of the Assessing Department
 - Schedules, prioritizes, and manages workload
 - Maintains files of work done
 - Maintains document retrieval system
 - Utilizes Pictometry photos to locate changes to properties for which no building permit has been issued
 - Performs data entry for Appraisers
 - Processes audits and maintains tax exemption and credit files
 - Prints building permits and property cards and organizes files by street/map designation so files are ready to go for inspections by Appraisers for both residential and commercial building permits
 - Enters Appraisers visit history and corresponding notes
 - Adds improvements (deck, sheds, additions, etc.) for all updated property from Appraiser's visits

Prints updated property card for file or Appraiser inspection

Draws detailed sketch and calculates square footage of property based on Appraiser's physical inspection of property

Performs in-house inspection and/or examination of existing city record. Verifies data using

Uses pictometry and prints updated property card for file

Tracks and records possible work being done without building permit. Periodically supplies supervisor with updated list to notify Code Enforcement

Reviews paving on parcels in the City and makes adjustments to property record cards

Performs review of land adjustments due to access, location, etc.

Maintains and updates current use files

- Customer Service:

Provides personal and/or telephone assistance to taxpayers in resolving changes and/or concerns associated with the City of Nashua Assessing Program

Provides information to taxpayers regarding NH State Statutes

Assessing Administration Specialist I/CSR

- Responsible for processing all deed transfers, initiating correspondence to taxpayers regarding new ownership and/or changes in status, assisting taxpayers and others with all property inquiries at the counter and on the telephone, and providing backup to other Administrative positions. Also responsible for processing, maintaining, and auditing exemption files, data entry of prescribed information utilized in assessment applications. After processing of initial application and analyzing financial data submitted, responsible for recommendation of approval or denial of Exemption/Credit application and notification by letter to taxpayer

- Assessing Administration:

Prints and processes easements and deeds

Processes P-34

Interprets deed transfers for accuracy and legality

Reviews Appraiser Maps/GIS Maps for accuracy.

Initiates correspondence to taxpayers regarding new ownership and/or changes in status.

Processes "Notice to Towns and Cities" from the NH Superior Court

Corresponds with Taxpayers, Attorneys or Title Companies regarding errors on deeds.

Researches ownership issues with the Registry of Deeds and Superior Court/Probate Department

Assists GIS Technician regarding accuracy of Appraiser Maps

Maintains taxpayer name and address changes in applicable software database, currently AccessPro

Processes new Blind Exemption, Veteran's Credit, Elderly Exemption, and Handicapped Exemption

Application and verify current recipients are qualified for exemption/credits.

Analyzes financial data submitted to determine eligibility of the applicant.

Sends written correspondence to notify taxpayers regarding new approval and denial of exemption or credit.

Sends written correspondence to notify taxpayers of removal of exemption or credit due to new ownership or change in status of the exemption/credit recipient Inputs data from exemption applications into applicable database(s) for exemption to be reflected on property tax bill.

Audits and maintains tax exemption and credit files Maintains MS Excel spreadsheet for exemption/Credit approval, denials, additions, and removals for the tax year.

Provides support to the Appraisers including researching information at the Registry of Deeds, Department of Building Safety, the Planning Department, Legal Department, and by communicating with other cities and towns maintains assessing department files.

- **Customer Service:**

Provides personal and/or telephone assistance to taxpayers in resolving changes and/or concerns associated with the City of Nashua Exemption/Credit Programs

Provides information to taxpayers regarding NH State Statutes

Assists taxpayers in initiating applications/changes associated with exemptions/veterans credit program

Processes requests for copies of assessing documents and maps

Participates in researching and resolving issues regarding the day-to-day operations of the Assessing Department

Department Coordinator/Customer Service Representative (CSR), Assessing

- Position is responsible for the accounting functions of the Assessing Department. Reviews and balances daily value status reports. Administers the Board of Assessors meetings. Records, tracks, and processes requests for abatement. Responsible for processing payroll and personnel changes and purchasing requests. Forecasts, prepares, and administers the budget. Addresses customer inquiries and/or taxpayer concerns Resolves issues regarding the day-to-day operation of the department. Position is also cross trained for processing of deed transfers, initiating correspondence to taxpayers, processing plans, quality control of deed transfers, processing, maintaining and auditing exemption files, data entry of prescribed information utilized in assessment applications, providing assistance to taxpayers in person and via telephone.

- Reviews/balances daily value status reports; requests problem resolution
- Administers the Board of Assessors meetings: prepares agenda, attends meetings, records and publishes minutes of meetings, schedules appointments
- Records and processes municipal and perfected requests for abatement, responds to BTLA and Superior Court inquiries, tracks status, audits and maintains up to date and accurate files of cases
- Analyzes, troubleshoots and recommends improvements to abatement tracking system; confers with IT to implement programming changes
- Updates and maintains Assessing Department web page
- Expedites routine department tasks through the knowledge of office information/data/processing/storing/retrieving practices procedures, use of standard office equipment and equipment maintenance/troubleshooting
- Develops and designs internal forms
- Initiates requests for purchase, maintenance of equipment; verifies funds availability; authorizes payment of invoices, receiving copy of purchase orders, etc.
- Provides backup to other administrative positions
- Participates in resolving issues regarding the day to day operations of the Assessing Department
- Analyses tax exemption and credit applications for qualifications and legitimacy
- Processes requests for information and administers invoice system
- Schedules, prioritizes and manages workload
- Works with minimal supervision and little verification
- Maintains files of work done
- Maintains document retrieval system
- Customer Service

Provides personal and/or telephone assistance to taxpayers in resolving changes and/or concerns associated with the City of Nashua Assessing Program

Provides information to taxpayers regarding NH State Statutes

Assists taxpayers in initiating applications/changes associated with exemption/veterans credit program

Processes requests for copies of assessing documents and maps. Tracks, records, and inputs payroll changes; processes staff personnel time sheets

Writes/updates procedures for position; assists in maintaining dept. procedures manual

Processes Personnel Action Forms

Processes A9-A12 forms

Performs miscellaneous investigative tasks

Assists in planning, forecasting, preparation, and final review of the department budget

Schedules and attends staff meetings. Prepares agenda and meeting minutes

Generates abatement status, financial, overlay and other reports

Attends staff, other meetings

Reconciles/remits treasurer's report, income funds to City Treasurer

Management Information Systems

ADMINS

Enter and process abatements- This would include entering the abatements as they are submitted or after the Board of Assessors approves or denies the abatement. Run exposure reports to recognize what the City's liability if approved. Once processed, the information is transferred to the Tax Collectors Office to process and issue refund checks including calculating interest to taxpayers. Enter and Remove Exemptions and Credits- including the Elderly, Disabled, Improvement to Assist Persons with Disabilities, Solar, Blind, School Dining/ Dormitory/Kitchen, Religious, Educational, Charitable and Veteran's Exemptions, Veteran's, Surviving Spouse and the All Veteran's Tax Credits to the qualified applicants account. This information is pushed through overnight from ADMINS to AssessPro to properly apply and exemptions and/or credits are applied to the applicants' property for tax billing purposes. Reports printed include abatement and their status (by year), Superior Court, BTLA and Board of Assessor Decision Meeting report, Abate and Compare report, TC abate for Tax Collector Office, elderly exemption recipients age report, etc.

ASSESS PRO

Used to maintain property ownership including current and prior owners, legal references for property sales (current and historical), sale price (current and historical), and any other pertinent information linked to the sale. Creating/Closing accounts based on new subdivisions, condo docs, new mobile homes, voluntary mergers, etc. Maintain a narrative description of the property that includes land acreage, number of units, year built, building square footage, number of baths, rooms and bedrooms, sketch of the building, any plan references, etc. Update property detail information including construction detail, interior and exterior information, special features/yard items, activity information, depreciation, sub area details, images (photo of building) and comments pertaining to the account. The information in AssessPro is used to send out Income and Expense forms to commercial properties to obtain income and expense information from commercial property owners. Information in AssessPro is used to send audit letters to exemption/credit recipients. Full property cards are available to the public and an unofficial property card is updated on the nashuanh.gov website. Entering abatements to match information entered into the ADMINS. Multiple reports are run and used to verify data. Those reports include sales, under construction, open building permits, vacant premium, current use, exemption/credits, building permit status, etc.

GIS

To check and verify the legal description in our records. We compare the information in GIS with the recorded plan and legal description to insure the property has the correct the dimensions and is being taxed for the correct land square footage. GIS/Pictometry to verify that what is on our property card is accurate. Outside building description, if any additions or work done without building permits, yard items (sheds, pools, free

standing decks, etc.) or special features (dormers, flue, chimney, etc.). Verify the information reported on the A-9 matches the use reported for the CH, RG and ED exemption.

CITY VIEW

City View is used to print building permits and organize them for assessors to inspect properties and add improvements listed on the permit to the property record card. Reports are run to track any building permits that indicate the permits have been paid but not marked as "Issued", permits with no issued date, voided/expired permits, work being done that doesn't require a building permit, verify if a C/O has been issued on a property, etc. The permit information is also filtered down from City View to AssessPro so the public can have access to limited information regarding building permits pulled on any property in question.

ACCOUNTS DOCUMENTS

In house programmed Visual Basic application. Using Adobe Acrobat and Autobookmark to create individual PDFS and split into appropriate folders.

PICTOMETRY

Used to view properties and check for abnormalities on the exterior information of the property. We compare the Aerial Photos with the information on the property card and if there was any work done without building permits or if the building permit was not issued we would pick up that item adding to the property card (additions, decks, pools, paved areas, lighting, etc.)

LAWSON

Used to enter invoices, payment authorizations, deposits for transactions purchase orders. Printing of reports including budget reports, exposure reports and payroll reports.

WEBPRO

Imports data from AssessPro at given intervals after billing. Make card data available on the web.

MUNIS

Verifies taxes and record date taxes were paid on a property for an abatement refund and calculating interest due.

INFOVIEW

Software used to convert regular AssessPro sketches to jpeg files which are viewable on the web.

Microsoft Office Package

Utilize Word and Excel to Mail Merge information from AssessPro to send audit letters to recipients of the elderly, disabled, veterans, and to assist persons with disabilities, solar and blind exemption/credits. We also use the programs to mail out sales, Trust and surviving spouse letters. Approvals and denial notices are also mailed out to all exemption/credit applicants using MailMerge. Mail Merge is also used to create labels to forward tax bills returned to us by the United States Postal Service.

External Sources:

Hillsborough County Registry of Deeds

Print deed to change ownership on properties that have sold. View recorded plans and legal description to verify parcel acreage and lot dimensions. Print Planning Board approvals recoded for an accessory dwelling units. Print any death certificates recorded or any other documents pertinent to property ownership.

Nashua Telegraph

Information from the Nashua Telegraph death list to confirm the passing of an individual to update our property records and remove any exemptions/credits. Our office contacts the surviving spouse to have them complete any necessary paperwork to retain the veteran's credit.

Edmunds/Kelly Blue Book

To determine the value of vehicles on an Elderly or Disabled Exemption.

9th Circuit Probate Court

We utilize the information on the legal probate notices to update information on a taxpayer that has passed away and lists the fiduciaries on the property record so future tax bills are mailed to the person in charge of the estate.

DRA Web Portal

This program is used in conjunction with the Department of Revenue Administration Staff to verify all sales listed in the Equalization Ratio Study. This information is used to determine what our equalization ratio is for a particular year.

Revised State Statutes/400 Rules

Site is used to research any laws/rules pertaining to assessing, exemptions and taxation.

Department of Revenue Administration

Used to download forms and instructions needed in our department. PA-29, PA-33, PA-30, Current Use and Excavation information, etc.

MLS/Zillow/Redfin/Trulia

Information is used to verify and update information on our property record card. This information is used to compare the current record and update any improves that have been made. We will also remove any items that are no longer physically on the property (shed, pool, deck, etc.) Data is used to verify the sale being qualified or unqualified based on bank owned, short sale, foreclosure, etc. Reviewing the MLS also gives us any rental/leasing information pertinent to commercial/rental properties.

Costar/LoopNet

Information is used to verify and update information on our property record card for commercial properties. This information is used to compare the current record and update any improvements that have been made.

Data is used to verify the sale being qualified or unqualified based on bank owned, portfolio sales, foreclosure, etc.

Radaris/Intelius

When working on the Ratio Study, these programs are used to help determine if Grantor and Grantee are related when reviewing.

Observations – Organizational Structure and MIS

Organizational Structure

The assessing department consists of two major functions which appear to operate separately from each other; the assessors, commercial and residential and the administrative staff.

The Chief Assessor is the manager of the department responsible for all functions and the day to day management of all assessors. The department includes two commercial assessors and two residential assessors. The supervisor of administrative staff manages the activities of all administrative staff including the processing of exemptions, abatements, deed transfers and customer service.

During the review of the organizational structure the following observations were noted:

- 1) Lack of consistent knowledge throughout the staff of the assessing process and functions within the department due to the separation of management between assessors and administrative staff.
- 2) Limited departmental communication. Lack of departmental staff meetings, limited knowledge of departmental goals and objectives and functions often operate independently.
- 3) Limited knowledge on potential improvements to the process or growth of the department. Limited interaction with other city hall departments and divisions.
- 4) Job descriptions are outdated and somewhat inaccurate, indicating lack of review of the internal functions for several years.
- 5) Absence of internal policies, internal training and personal growth opportunities.

Management Information Systems

During the review of the Management Information Systems the following observations were noted:

- 1) Data integrity is at risk due to the use of multiple data systems to support the same transactions.
- 2) Lack of efficiency due to data being entered in multiple systems.
- 3) Underutilization of the AssessPro system for exemptions and abatements; reliance on in-house programmed systems.
- 4) Increased costs in software maintenance due to multiple data systems.

Observations and Opinions

1) Ineffective management of the Assessing Department

- a. Lack of communications skills
- b. No analysis of how the department operates currently
- c. No recommendations to improve efficiency of operations
- d. No review of, or correction to inaccurate job descriptions

2) Lack of internal policies and procedures to guide operations

- a. Little to no internal training for assessors
- b. Too much reliance on national and state training programs/documentation
- c. No documented internal assessor training to minimize the subjective components of developing property assessments
- d. No new hire training process or Board of Assessors orientation/workshops
- e. State required training focuses on changes in rules and laws
- f. Development of policies for the use of sales information, MLS information, Building Permits, Effective Year Built (EYB) metric, property card changes

Note: A policy committee consisting of the HR Director, Chief of Staff, Chief Financial Officer and Deputy Counsel has begun reviewing all city policies. Due to findings during the completion of this audit, a policy to effectively document employee daily travel has been written and will be submitted to the mayor for consideration.

3) Disparate software systems utilized by the department are not optimized

- a. Continued reliance on ADMINS software to link systems – need migration path to eliminate the use of ADMINS
- b. Not fully utilizing the modules in the AssessPRO CAMA system such as Exemptions/Credits and Abatements
- c. See the Appendix, Exhibit 3 for a software application diagram of all software systems used by the Assessing Department

Note: Due to findings during the completion of this audit and the need for an accurate assessment of the GIS function, the mayor's office has retained a consultant, CDMSmith, to evaluate applications across several

departments including, but not limited to, Assessing and GIS. A report is expected in late March/early April.

- 4) A full measure and list of all properties within the City has not been conducted since the early 1990's
 - a. A full measure and list is designed to update all property records
 - b. Last full measure and list conducted in 1991
 - c. Results in more reliable and equitable information
 - d. Can be conducted on a multi-year basis before the next Revaluation which is required every five years.

Conclusions and Major Recommendations

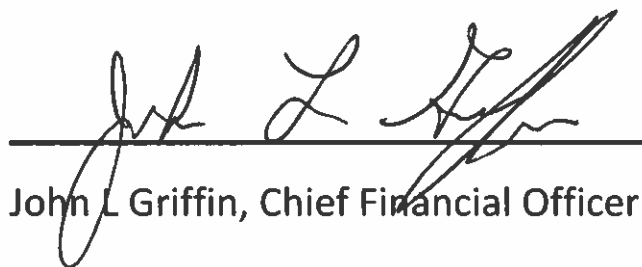
The Assessing Department Management Audit has enabled us to look beyond the operations of the Assessing Department as several other departments are involved.

Major Recommendations:

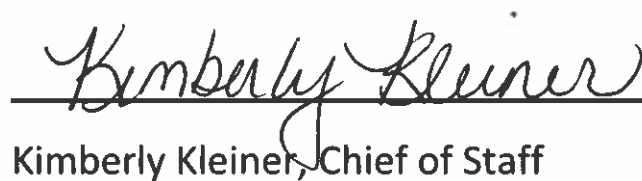
- 1) Re-establish the Administrative Services Director position reporting to the Mayor which will more effectively align internal serving functions within the city, including but not limited to, Assessing, GIS and Information Technology operations under one directorship.
- 2) Eliminate the Chief Assessor position – the Administrative Services Director will direct the operations of the Assessing Department and working with the Chief Financial Officer will be charged with a) observing the current operating state and b) creating and implementing an efficiency/improvement plan.
- 3) More effectively use the AssessPro software to conduct assessing business to include such items such as exemptions/credits and tax abatement processing. Consultation and technical assistance by Patriot Properties may be needed.
- 4) Create and/or update internal policies and procedures to reflect the current state of operations. Review functions within the department and update job descriptions as appropriate.
- 5) Implement a new mileage reimbursement policy and related procedures for all employees who use their personal vehicle for City business.
- 6) Develop integrated internal training programs for assessing and administrative staff. Conduct orientation and informational workshops with the Board of Assessors.
- 7) Reduce reliance on the City's legacy ADMINIS software applications.
- 8) Invest in a full measure & list project over the next few years to update the property record data. This project will be completed in time to perform the next state mandated Revaluation.

- 9) In coordination with the full measure and list, transition from the use of the EYB to a grade/condition based method of assessment. While the EYB is an acceptable method used in assessing, the grade/condition provides for greater transparency and taxpayer comprehension. An outside, experienced consultant is recommended to assist the city with this transition.

Respectfully Submitted,



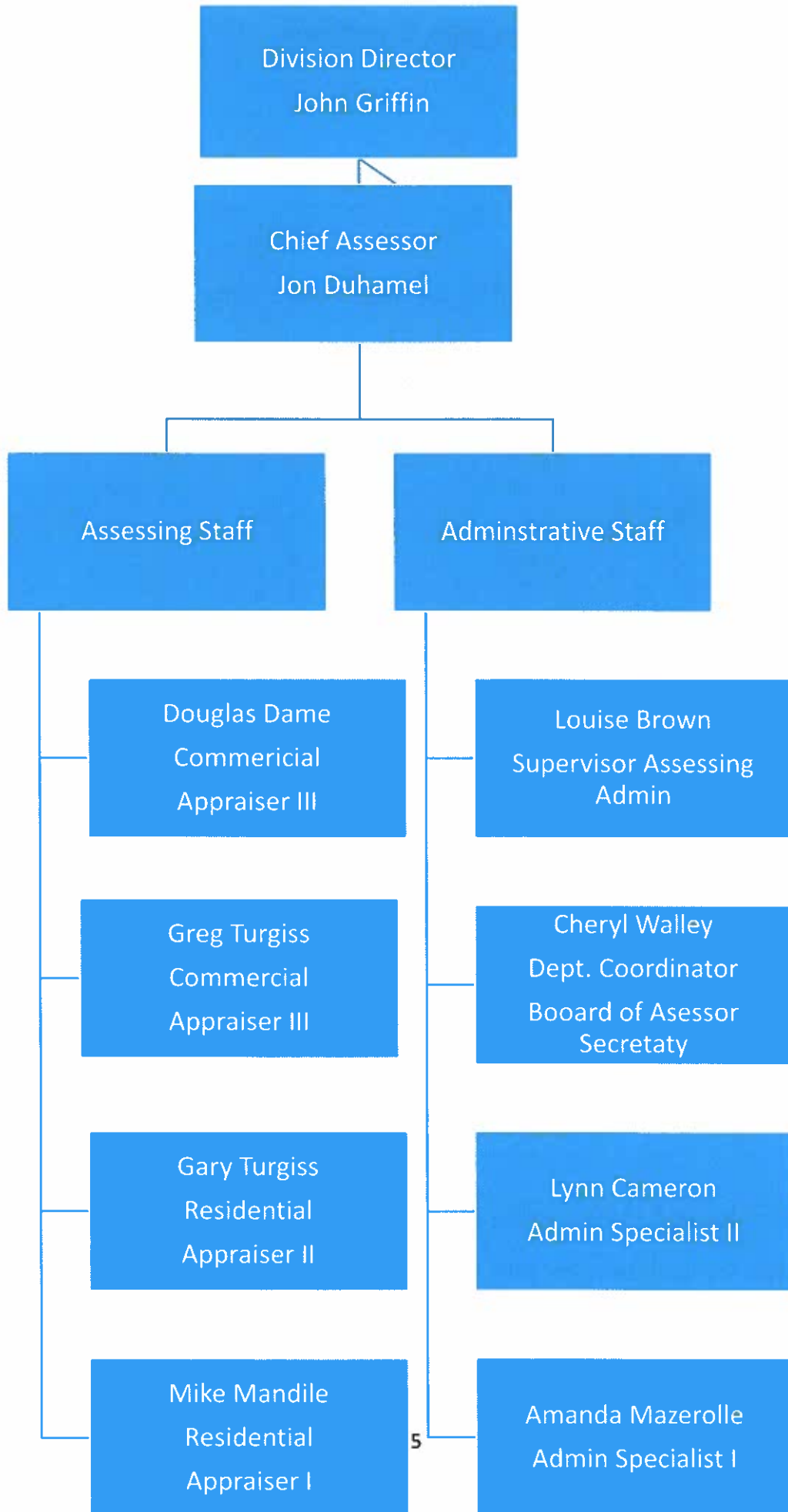
John L Griffin, Chief Financial Officer



Kimberly Kleiner, Chief of Staff

Appendix

1. Organizational Chart
2. Organizational Interview Questions
3. Software Application Diagram

Department-Level Organizational Chart

Audit Interview Questions

What is your primary function within the department?

What are your primary objectives?

How (and who) are objectives determined? Do they change (time of year)?

How were you trained on objectives?

How is progress against these objectives measured?

What processes and/or tools are in place to help you these achieve objectives?

Is there evidence of progress?

How does data trends get analyzed?

How do employees communicate their improvement ideas?

How do preventive actions/ improvements and changes in policy get recorded?

Are statistical techniques used?

How are customer perceptions captured on a proactive basis?

How are training needs determined?

What kind of orientation training is provided when you were hired?

How were you made aware of the organization's mission, values, and measurable objectives?

How is the effectiveness of training evaluated? Was your training adequate?

What happens when training is determined to have been ineffective?

What's the most important thing about your job?

What's the hardest thing about your job?

What are some things you'd like to change about your job?

What resource would help you be more effective?

What should your manager know that he or she currently doesn't know?

If you were the manager here, what would you do differently?

How are customer complaints handled?

What's the largest complaint category?

What's being done about it?

Has the amount of complaints changed over time?

How are personnel trained in their roles in preventing complaints?

How are customers made aware of actions on their complaints?

Management Information System Data Flow Diagram